

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 L-03 DODE-00 PA-01 USIA-06 PRS-01

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R 092023Z JAN 76

FM AMEMBASSY TEGUCIGALPA
TO SECSTATE WASHDC 2119
INFO AMEMBASSY GUATEMALA
AMEMBASSY MANAGUA
AMEMBASSY SAN JOSE
AMEMBASSY SAN SALVADOR
USCINCSO

C O N F I D E N T I A L TEGUCIGALPA 0122

E.O. 11652: GDS

TAGS: PGOV, ELAB, HO

SUBJECT: HURRICANE FIFI RELATED GOH-TELA R.R. CO., SITRATERCO
BACK WAGES DISPUTE

BEGIN SUMMARY: SEVERAL RECENT PRESS ARTICLES HAVE CHARGED
TELA R.R. CO. WITH FAILURE TO PAY BACK WAGES TO WORKERS AS
MANDATED BY SUPREME COURT. HOWEVER, SUPREME COURT THREW
OUT CASE ON TECHNICALITY WITHOUT DECIDING ON MERITS OF CASE
AND CASE IS AGAIN BEFORE MINISTRY OF LABOR. TELA ALLEGES
CASE MORE COMPLICATED THAN PRESS REPORTS AND MINLAB CLAIMS
TELA STALLING FOR TIME. AMOUNTS OF MONEY IN QUESTION VARY
ACCORDING TO SOURCE. END SUMMARY.

1. RECENT PRESS REPORTS ACCUSE TELA R.R. CO. (LOCAL SUB-
SIDIARY UNITED BRANDS) OF FAILING TO PAY BACK WAGES DIRECTED
BY RECENT SUPREME COURT DECISION. DISPUTE INVOLVES EXTEN-
SION OF 120 DAY LAY-OFF OF WORKERS IN WAKE OF HURRICANE FIFI
BY TELA R.R. CO. MINLAB ALLEGES IN CONVERSATION WITH
LABOFF THAT HONDURAN LABOR CODE REQUIRES THAT ANY SUSPENSION OF A
LABOR CONTRACT IN EXCESS OF 120 DAYS REQUIRES PAYMENT OF
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SEVERANCE PAY AND TERMINATION OF COLLECTIVE BARGAINING CON-

TRACT. PRESS AND MINLAB ALLEGE AMOUNT OF MONEY IN QUESTION EXCEEDS \$1,000,000. HOWEVER MINLAB ACKNOWLEDGES THAT TELA IN POSSESSION OF DOCUMENT PURPORTING TO SHOW FORMER MINLAB FONSECA AGREED TO PROLONGATION OF LAY-OFF FOR ADDITIONAL 120 DAYS. CURRENT MINLAB MAINTAINS ANY SUCH AGREEMENT ILLEGAL. IN ANY EVENT, BOTH PARTIES AGREE SUPREME COURT DID NOT DECIDE ISSUE ON MERITS, BUT RATHER DISMISSED CASE ON TECHNICALITY. HOWEVER, MINLAB MAINTAINS COURTS DO NOT HAVE JURISDICTION IN CASE. GENERAL MANAGER OF TELA, HOWEVER, MAINTAINS COURTS DO AND INTENDS TO APPEAL AGAIN TO SUPREME COURT WITH PROCESS CURRENTLY ONCE AGAIN BEFORE MINISTRY OF LABOR. TECHNICALITY ON WHICH CASE DISMISSED WAS FAILURE TO OBTAIN PROPER POWER-OF-ATTORNEY ON PART BOTH TELA AND MINLAB.VR

2. GENERAL MANAGER TELA MAINTAINED IN CONVERSATION WITH

LABOFF THAT ESSENCE OF ISSUE NOT PAYMENT OF BACK WAGES BECAUSE OF FAILURE TO GRANT EXTENSION OF SUSPENSION BY MINISTRY OF LABOR, BUT RATHER ATTEMPT BY UNION TO INCLUDE CASUAL LABOR IN CLAIM. NEVER IN HISTORY OF COMPANY HAS CASUAL LABOR BEEN GUARANTEED A FIXED WAGE. WHILE PRESS AND MINLAB CLAIM AMOUNT INVOLVED FOR REGULAR WORKERS INVOLVES APPROXIMATELY \$1,000,000, TELA MANAGER CLAIMS REGULAR WORKERS ONLY ACCOUNT FOR APPROXIMATELY \$50,000 OF CLAIMED SUM, WITH CASUAL LABOR ACCOUNTING FOR REST. TELA CLAIMS

ACTUAL BACK WAGES NOT ISSUE, BUT RATHER ISSUE OF GUARANTEEING MINIMUM WEEKLY WAGE TO CASUAL LABOR. MINLAB CLAIMED IN CONVERSATION WITH LABOFF THAT TELA HAS NEVER RAISED THAT ISSUE IN PROCEEDINGS, BUT RATHER HAD SUBMITTED SPECIFIC LIST OF THOSE TO BE SUSPENDED WITHOUT IDENTIFYING THEM AS PERMANENT OR CASUAL EMPLOYEES OF TELA.

3. COMMENT: MINLAB STATED IN CONVERSATION WITH LABOFF THAT TELA WILL ONCE AGAIN LOSE IN ITS PETITION TO MINISTRY OF LABOR. BOTH SIDES AGREE ISSUE WILL AGAIN GO TO SUPREME COURT AND THAT COURT WILL BE FORCED TO DECIDE ISSUE ON MERITS. AS TO MINLAB'S CONTENTION THAT COURT LACKS JURISDICTION, IT WILL BE NECESSARY TO AGAIN CONSULT WITH LABOR LAWYERS TO DETERMINE SPECIFICS. HOWEVER, ISSUE MORE LIKELY TO BE DECONFIDENTIAL

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CIDED ON POLITICAL THAN LEGAL MERITS. (NOTE: ORIGINAL ACTION FILED BY PREVIOUS LEADERSHIP OF SITRATERCO AS OPPOSED TO CURRENT EXECUTIVE COUNCIL.)
SANCHEZ

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